

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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| (1) DEPARTMENT Behavioral Health | (2) MEETING DATE 6/5/2012 | (3) CONTACT/PHONE Kimberly Miramon, Admin. Svcs. Mgr., 788-2932 Amy Olson, ASO II, 781-4729 | |
| (4) SUBJECT Request to approve Amendment No. 1 to the FY 2011-12 executed contract with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,248,035, an increase of \$162,000 for additional adult clients with serious mental illness who need residential board and care, social support, and outpatient mental health services. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board approve Amendment No. 1 to the FY 2011-12 executed contract with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,248,035, an increase of \$162,000 for additional adult clients with serious mental illness who need residential board and care, social support, and outpatient mental health services. | | | |
| (6) FUNDING SOURCE(S) Medi-Cal, Managed Care, Meas A, Realignment | (7) CURRENT YEAR FINANCIAL IMPACT \$1,248,035 | (8) ANNUAL FINANCIAL IMPACT \$1,248,035 | (9) BUDGETED? Yes |
| (10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation (Time Est. _____) <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business | | | |
| (11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A | | (12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A | |
| (13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001155 | | (14) W-9 <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | |
| (15) LOCATION MAP N/A | (16) BUSINESS IMPACT STATEMENT? No | (17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>August 9, 2011</u> | |
| (18) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown | | | |
| (19) SUPERVISOR DISTRICT(S) All Districts - | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Karen Baylor, Ph.D., LMFT, Behavioral Health Services Administrator

DATE: 6/5/2012

SUBJECT: Request to approve Amendment No. 1 to the FY 2011-12 executed contract with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,248,035, an increase of \$162,000 for additional adult clients with serious mental illness who need residential board and care, social support, and outpatient mental health services.

RECOMMENDATION

It is recommended that the Board approve Amendment No. 1 to the FY 2011-12 executed contract with Psynergy Programs, Inc. to increase the contract amount not to exceed \$1,248,035, an increase of \$162,000 for additional adult clients with serious mental illness who need residential board and care, social support, and outpatient mental health services.

DISCUSSION

Psynergy Programs, Inc. operates two licensed board and care facilities, Nueva Vista in Morgan Hill and Cielo Vista in Greenfield. The programs are designed to prepare clients to reintegrate into the community within a nine to twelve month period. Clients from higher level placements in Institutions for Mental Disease (IMDs) or acute hospitals are initially accepted into the facility where a 90-day program of intensive services is provided. The program includes a full range of outpatient mental health services available to clients at an adjacent mental health clinic site. This array of intensive outpatient mental health services is offered in addition to the social support services generally provided at more traditional board and care facilities.

The Behavioral Health Department requests an amendment to the contract with Psynergy Programs, Inc. to allow the payment of anticipated costs for residential board and care, social support, and outpatient mental health services to adults with serious mental illness. The original contract was approved August 9, 2011 for \$1,086,035 and was based on a projected annual average of 31 clients residing at Psynergy Programs. The current annual average of county clients residing at Psynergy Programs is 36. Most of these clients were transferred to Psynergy Programs from costlier, higher-level placements such as acute hospitals and locked IMDs. Most were considered to be too difficult to manage in more independent settings. Psynergy's success in managing more difficult clients in a more independent setting has not only greatly benefitted the clients, but allowed Behavioral Health to achieve savings in IMD costs.

The increase in cost is due to the higher number of bed days anticipated to be purchased. The original contract purchased approximately 11,315 bed days and approximately 153,100 minutes of mental health services. With the increase in transfers to this facility from IMDs, the contract amendment will allow the County to purchase a total of 13,140 bed days and 168,448 minutes of mental health services for the remainder of the contract period.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The original contract was approved and budgeted for \$1,086,035. The contract amendment is adding \$162,000 for a total amended amount of \$1,248,035. The additional amount will be fully funded through savings in FY 2011-12 budgeted IMD costs. Although the utilization for Psynergy Programs exceeds the initial contract and budget, the overall utilization for IMD and Board & Care is within the initial estimates for all adult residential care facilities. Medi-Cal reimbursements for the outpatient mental health services portion are expected to be approximately 66% of cost.

RESULTS

As stated above, the average number of clients residing at Psynergy Programs has been 36 for FY 2011-12. In FY 2010-11, Psynergy Programs provided board and care to an approximate average of 31 clients. Psynergy Programs assist Behavioral Health's performance objectives by helping clients be as functional and productive as possible in the least restrictive and least costly environments. By providing these individuals with the opportunity to be successful in progressing toward a more independent lifestyle and integrate into the community, Behavioral Health remains consistent with the County's vision to ensure a safe, healthy, and livable community.

ATTACHMENTS

1. 2011-12 Psynergy Contract Amendment 1